



***The Chaffee Zoo  
Strategic Planning Study  
December 2003***

*Prepared for the City of Fresno*

*Prepared by:*

**SCHULTZ & WILLIAMS INC.**

Marketing | Development | Management

# ***Table of Contents***

## ***The Chaffee Zoo Strategic Planning Study***



- **Executive Summary** *E-1*
- **Chapter 1: Introduction**
  - Schultz & Williams, Inc. *1-1*
  - Project Goals *1-2*
- **Chapter 2: Background**
  - Privatization Overview *2-1*
  - Models *2-6*
- **Chapter 3: Profile**
  - Mission *3-1*
  - The Chaffee Zoo *3-2*
  - Organization *3-3*
  - Market Highlights *3-6*
  - Financial Profile *3-8*
  - Situation Analysis *3-12*
- **Chapter 4: Findings**
  - Strategic Business Issues *4-1*
  - Accreditation Issues *4-6*
  - Community Input *4-10*
- **Chapter 5: Recommendations**
  - Non-Traditional Models *5-1*
  - Management Alternatives *5-2*
  - Strategic Choices *5-3*
  - Recommendations *5-8*
  - Transition Plan *5-18*
- **Appendix**
  - Market Demographics *A-1*
  - Community Interviews *A-4*
  - Membership History *A-5*

# ***Executive Summary***

## ***The Chaffee Zoo Strategic Planning Study***



# ***[ Executive Summary ]***

# Executive Summary

## The Chaffee Zoo Strategic Planning Study



### Introduction

In the Spring of 2003, the City of Fresno commissioned Schultz & Williams, Inc., a national zoo planning firm, to develop a strategic planning document. The objectives of this work included evaluating the scope of the Chaffee Zoo and proposing a plan to support the transition of the Zoo to a new, more viable organization.

### Overview

As a review of 'best practices' within the zoo industry and based on direction from both the City and community leaders, the concept of privatization was explored. Privatization, as defined in this study, is the shifting of responsibilities of the Chaffee Zoo from public (City) to private (not-for-profit) management. The City would remain the landlord and continue to provide a direct appropriation of funding. The not-for-profit entity would manage facilities, visitors, and animals as well as be responsible for fund-raising. Benefits of privatization include: strong organization, flexibility, and cost efficiencies. A dedicated funding mechanism is instrumental to successful privatization and can be found in other working models of privatization across the country. These include: *Seattle, Houston, and Kansas City*. Other characteristics of these successful zoos are: a commitment to investing in marketing, experience-based programs and exhibits, and significant community support.

### Profile

The Chaffee Zoo, established in 1908, is an AZA (American Zoo & Aquarium Association) accredited facility and the only zoo in the Central Valley of California. It is owned and operated by the City of Fresno with forty-five full-time equivalent employees. The Zoo is supported with \$1.2 million +/- in City general fund support. There is a separate Zoo Society to manage donations, the gift shop and education programs. Market highlights, both positive and negative, in the Fresno area include:

- *Strong population growth (+)*
- *Diverse cultures (+)*
- *High unemployment (-)*
- *Low per capita incomes (-)*

In the fiscal year ending 2001/2002, the Zoo's annual attendance reached 389,163 with total combined revenues of both the City and the Society of \$3.8 million and expenses of \$4.2 million. Zoo successes and challenges include:

#### Zoo Successes

Committed staff  
Park Location  
Community memories

#### Zoo Challenges

Limited capital funding  
Deferred Maintenance  
Lack of membership growth  
Competition for funding



# ***Executive Summary***

## ***The Chaffee Zoo Strategic Planning Study***



### **Findings**

The Chaffee Zoo faces a number of strategic business issues. These include facilities: one new major exhibit built in the last ten years with many buildings in need of repair; attendance: flat line attendance growth despite increasing population; funding: limited contributed revenue with no annual giving programs in place; and visitor experience: declining due to lack of investment in facilities or attractions. The Chaffee Zoo is at a crossroads with changes needed to occur for future success.

The Zoo as compared to other zoos across the country has a higher number of animals per employee and a lower operational cost per day indicating a below average staffing ratio and investment in operations. This lack of investment has put the Zoo's AZA accreditation at risk. The Zoo is due for re-accreditation in 2004 and must develop engaging exhibits, begin a proactive maintenance program and exceed standards of animal care in order to retain accreditation.

As part of the planning process, Schultz & Williams talked with a number of community leaders. These discussions indicated support for the Zoo and privatization. However, although there is not a clear understanding of what privatization will mean, these leaders have said privatization is not the solution in and of itself to the Zoo's problems, but only seen as a vehicle for success.

### **Strategic Choices**

Schultz & Williams evaluated a number of traditional and non-traditional operating models. These non-traditional models include selling the Zoo to a private operator, outsourcing operations, and restructuring the Zoo into a self-sufficient public/private entity. Based on industry experience, it was determined that these models have a low probability of success.

A number of strategic choices should also be explored by the City. Given the current situation of the Zoo, a decision by the City and community is required. These choices include:

- ***Reduce the current Zoo***
- ***Maintain the current Zoo***
- ***Grow the current Zoo***

Reducing the current Zoo will result in a 'road-side' zoo with only small animals and limited visitor appeal. Maintaining the Zoo at its present level will result in a declining visitor experience and the eventual loss of accreditation. Each of those choices will result in a negative community reaction and failure. A choice to grow the Zoo will result in a regional visitor attraction with new, high-quality exhibits and increased attendance as well as providing an economic development stimulus for both the City and the Central Valley region.

# ***Executive Summary***

## ***The Chaffee Zoo Strategic Planning Study***



### **Funding**

Funding will be a key driver when choosing the future path of the Zoo. A funding mechanism should be put in place to provide a consistent and adequate amount of funding for the Zoo. No one solution may be the answer, however a combination of the following alternatives may generate the funding necessary for success. These funding options include:

- Direct City funding
- Community funding, *e.g. bonds, sales or cultural tax initiatives*
- Contributed revenue
- Visitor service revenue

### **Recommendation**

Based on professional industry experience, the recommended option is to grow the Zoo. Steps necessary for success include: identifying an interim funding vehicle, developing long term funding mechanisms, privatization, and building a 'regional' Zoo.

*The Chaffee Zoo will be a first-class, high-quality visitor attraction that engages entertains, and educates regional visitors from Fresno and surrounding communities.*

### **Recommendation (continued)**

Under the growth option, funding needs to be increased by \$1.5 million annually to support capital programs (new exhibits), maintenance, and operations, i.e. staffing, marketing, and guest amenities.

To support the transition an interim organizational structure and funding model is required. Combining the functions of the City and the Society under the Zoo Director sets the stage for privatization and streamlines the organization.

Communicating the benefits of a regional Zoo is an important ingredient for future success. The Zoo should be positioned as a regional attraction and an asset to the entire Valley. Linking the growth of the Zoo to Roeding Park is also critical. A new regional Zoo will include improved visitor experiences with seasonal attractions, interactive areas, and total immersion exhibits.

### **Transition Plan**

The key steps to begin this process include addressing funding issues, establishing organizational changes, securing City support and managing staffing.

# ***Executive Summary***

## ***The Chaffee Zoo Strategic Planning Study***



### **Conclusion**

The Chaffee Zoo is a cherished part of the Fresno area and has been a proud source of education, enjoyment, and entertainment. However, years of minimal investment in new exhibits, maintenance, and operations has pushed the Zoo to a breaking point. This treasured resource is in need of repair, maintenance, and improvement to provide a quality home for the animals as well as a place for fun and learning for the people of the Fresno area.

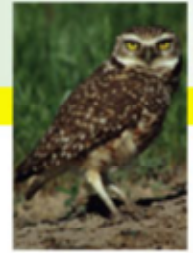
A decision by the City and the community is now required. One path, reducing or maintaining the City's ongoing investment, will result in the eventual failure of the Zoo. The other, while challenging, requires a commitment by the City, the County, and the community to grow the Zoo into a first-class regional attraction.

With broad funding support – from citizens, businesses, visitors and government sources – the Chaffee Zoo can become a must-see attraction in the Central Valley. An attraction which will provide visitors new, high-quality, interactive exhibits and create lasting memories for generations to come.



# ***Chapter 1***

## ***The Chaffee Zoo Strategic Planning Study***



# ***[ Introduction ]***

# ***Experience***

***Schultz & Williams, Inc.***



- National planning & consulting firm focusing on non-profit organizations
  - *Strategic, Marketing & Operational Planning*
  - *Fundraising & Development*
  - *Organization & Staff Development*
- Worked with over 50 US and international Zoological Institutions, developing:
  - *Strategic Plans*
  - *Privatization Studies*
  - *Feasibility & Financial Analyses*
- Clients include:
  - *Houston Zoo - Privatization Planning & Implementation*
  - *Utah's Hogle Zoo - Salt Lake City, UT, Strategic Planning*
  - *Woodland Park Zoo - Seattle, WA, Governance Plan*
  - *Kansas City Zoo - Privatization Planning*
  - *Dubai Zoo - Feasibility Analysis (new \$250 million zoo)*

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# ***Planning Approach & Goals***



## ***Project Goals:***

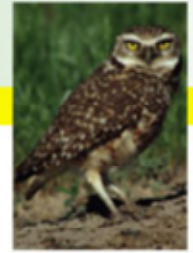
- *Evaluate scope of Zoo*
- *Propose a reorganization plan to support transition to new, more viable organization*
- *Develop plan to guide transition of the zoo to a public-private partnership*

## ***Approach:***

- *Extensive evaluation of zoo experience, finances, organization, staffing, and resources*
- *Benchmarking against other zoological institutions*
- *Recommendation & Plan*

## ***Chapter 2***

### ***The Chaffee Zoo Strategic Planning Study***



# ***[ Background ]***

# ***Privatization***

## ***Overview***



Privatization is defined in this study as shifting the organizational, operational and fiscal responsibilities of the Chaffee Zoo from public (City) to private (not-for-profit) management. Privatization, a trend that zoos across the country and their respective public partners have embraced over the past five years, typically provides opportunities for both entities to strengthen their respective core missions while introducing new, broader revenue streams into the operation of the zoo.

As part of this trend, the following zoos have successfully created “win/win” partnerships by privatizing a City-managed zoo to a new not-for-profit operated zoo:

- Houston
- Kansas City
- Woodland Park (Seattle)
- San Francisco

# ***Privatization***

## **Overview**



In most examples of privatization, the city and the not-for-profit entity focus on core responsibilities:

### **City**

- Landlord
- Major donor through direct appropriation
- Potential source of funding for facility improvements
- Ownership of the animal collection

### **Not-for-profit Entity**

- Operations and management of the Zoo and its facilities, visitors and animals
- Financial responsibility and accountability
- Private fund-raising for operating and capital programs
- Leveraging of financial resources

# **Privatization**

## **Benefits**



Privatization – *creating a unified Zoo structure and a new not-for-profit organization* – will provide a number of clear benefits to the Chaffee Zoo and its visitors. However, the investment of time, resources, and energy in privatization should be undertaken as part of a larger operational and funding strategy.

- ***What Does it Mean?***

- *To the Zoo – Strong organization*
- *To the Community – High quality visitor experience*
- *To the City – Streamlined structure; model of ‘best practices’ success*
- *To Funders – Improved fiscal management; increased ‘bang for their buck’*

***Privatization is not a prescription for survival in itself;  
it is a vehicle for future growth***

***Models of successful privatization have dedicated funding for both operating and capital support***

***Privatization with no “public” support will fail***



# ***Privatization***

## ***Benefits***



- Benefits of Privatization
  - *Accountability*
  - *Entrepreneurial management*
  - *Flexibility to respond to staffing, zoo trends, & visitors*
  - *Seamless reporting structure*
  - *Cost efficiencies and economies of scale*
  - *Fiscal responsibility*
  - *Lessens political drivers*
  - *Changing perceptions of giving to the city thereby improving contributed funding opportunities*
  - *Ensuring care and a quality environment for the animals*

# Privatization

## Funding



- A dedicated funding mechanism is instrumental to successful privatization
  - It enables improvements to the visitor experience and helps increase attendance
  - It provides a source of funds for both operating and capital programs
  - It allows the transition to occur from a ‘position of strength’
  - *To succeed in Fresno, the Zoo must increase its annual attendance baseline by offering high-quality visitor experiences for reasonable value. To fulfill this objective, the zoo facilities must be enhanced and upgraded to remain competitive with other leisure time choices. In our opinion, failure to do so will only result in failure of the Zoo.*

# **Privatization**

## **Models**



- Characteristics of successful zoos
  - *Dedicated funding for both capital and operating programs*
  - *Applied funding initiatives – bonds, sales tax, cultural districts, and/or regional partnerships*
  - *Significant community support and impact*
  - *Experience-based programs*
  - *Hands-on, up-close activities*
  - *Commitment to investing in marketing*
- Working Models
  - *Seattle's Woodland Park*
  - *Kansas City*
  - *Houston*
  - *Fort Wayne*
  - *San Francisco*

# **Privatization**

## **Models**



### ***Working Models:***

The zoo examples below, although varying in size and market profile, represent a selection of facilities that have recently undergone privatization from city managed facilities to new non-profit organizations.

- **Seattle's Woodland Park:** City commits \$7.2 million plus annually (40%+ of the Zoo's operating budget) in operating support; Park District Improvement Bond approved to leverage private contributions; transition over time of City employees; existing Society assumed management with expanded leadership.
- **Houston Zoo:** City commits \$7.6 million annually (45% of the Zoo's operating budget) in operating support; provided one-time \$5 million in capital improvements for transition; new NPO was created with high-profile community leaders; existing Society was merged into the new NPO - Houston Zoo Inc.; HZI committed to raising \$5 million in additional "start-up" funding and to take leadership role in future capital fund-raising initiatives; admission fees increased from \$2.00 for adults to \$7.00 for adults in July 2003.

# Privatization

## Models



- **Kansas City:** City commits \$4 million annually, plus CPI adjuster (34% of the Zoo's operating budget); existing "Friends" organization assumed management and operation and commits \$5 million through Founders Fund to support start-up; City provided some indirect operating support for facility maintenance, not improvements.
- **San Francisco:** City commits \$4 million annually, plus CPI adjuster; Society managed structure; City was instrumental in passage of \$40 million capital program; Society raised \$35 million in capital support.
- **Fort Wayne Children's Zoo:** Successful public/private management structure; operates as an enterprise fund within City structure; Society is a strong partner as they generate 25% of the Zoo's operating budget; strong unrestricted endowment; the recreational attraction in Fort Wayne with annual visitation of 500,000+ for seasonal operations (late April through October).
- ***A Non-Working Model: (provided for contrast)***
  - **Zoo Atlanta:** No funding support from the City, County or State; private management structure; 100% visitor/contributed support depend for revenues; significant operating deficits and internal borrowings (despite having Giant Pandas on a ten-year loan from China); high admission fee (\$16.95 for adults). In 2003, attendance was at lowest point since privatization in 1988.

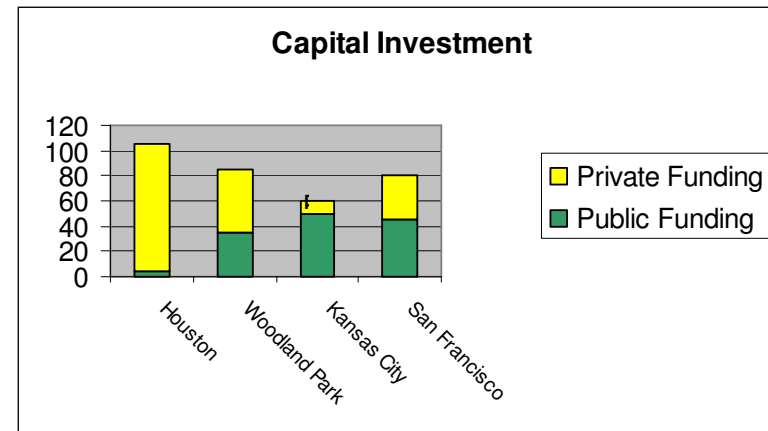


# Privatization

## Investment Models



*Successful Zoo models incorporate balanced public/private funding for operating and capital support. Public funding sources include, cultural districts, levies, or sales tax initiatives.*



**Houston:** \$5 million public; \$100 million private capital support (proposed); public investment is balanced through continued operating support

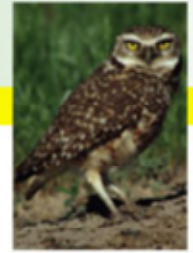
**Woodland Park:** \$35 million public; \$50 million private capital support

**Kansas City:** \$50 million public; \$10 million private capital support (proposed)

**San Francisco:** \$45 million public; \$35 million private capital support

## ***Chapter 3***

### ***The Chaffee Zoo Strategic Planning Study***



# ***[ Profile ]***

# ***The Chaffee Zoo***

## ***Mission***



*The mission of the Chaffee Zoo is to educate and entertain visitors, conserve wildlife, and encourage scientific studies.*

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*The mission of the Zoo is currently met through visitor and keeper interactions, animal management and breeding programs and grade-specific educational classroom programs. As the Zoo updates plans for the future, the mission should be reevaluated to determine fit with future goals.*

# ***The Chaffee Zoo***

## ***Profile***



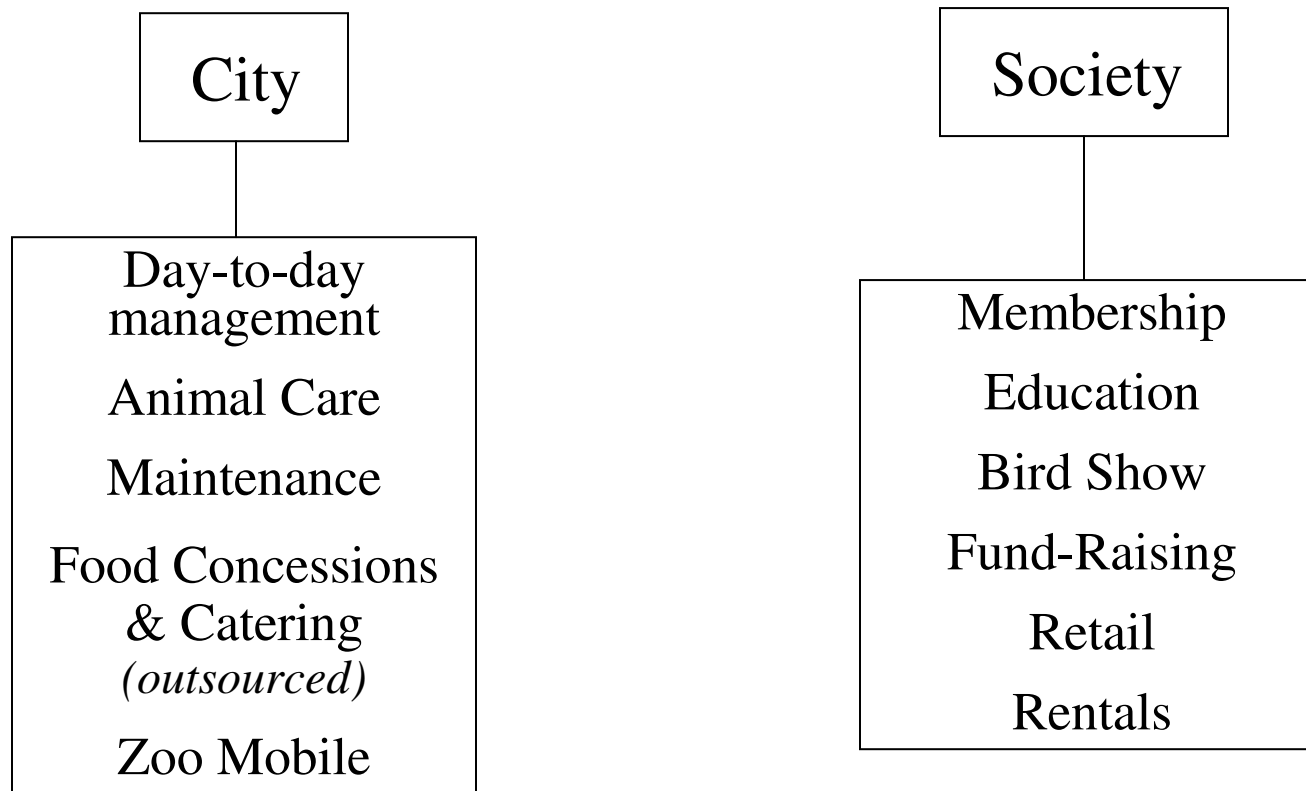
- *Established in 1908*
- *Occupies 18 acres within the 156 acre Roeding Park*
- *AZA Accredited*
- *Only Zoo in Central Valley*
- *Focus on 'local' visitors*
- *Adjacent to Playland and Storyland operated by Rotary*
- *Owned and managed by the City of Fresno*
- *Separate Zoo Society to manage donations, gift shop, and education*
- *City general fund support, \$1.2 million +/- annually (deficit funding)*
- *45 FTE City Employees; 12 FT Society employees*
- *Zoo operates as a (subsidized) Enterprise fund within City of Fresno Parks, Recreation and Community Services Department*

# Organizational Roles

## Current Model



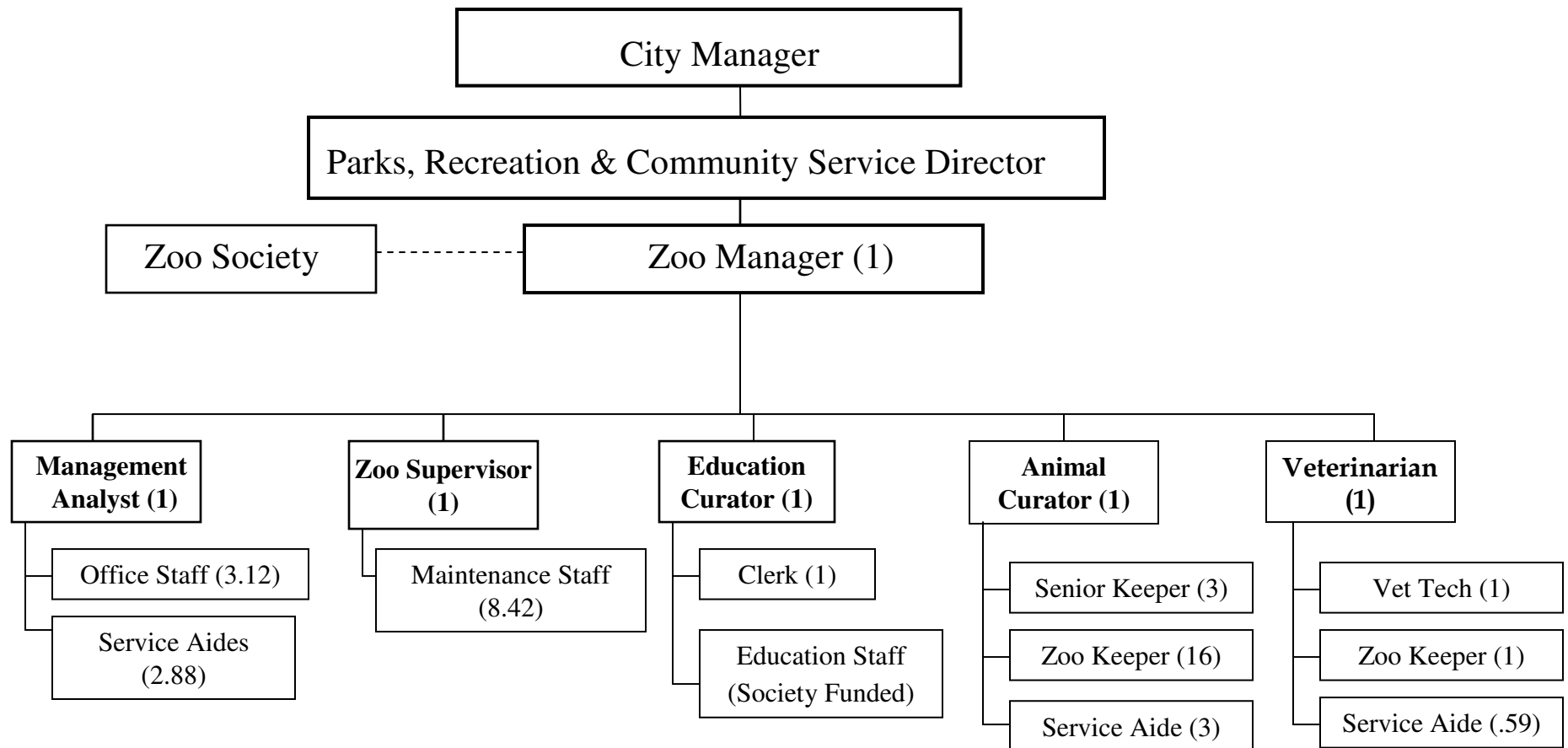
*Operations at the Chaffee Zoo are currently split between the City and the Zoo Society. This model creates a number of business inefficiencies. The structure also reduces responsiveness to visitor needs and limits funding opportunities. Functions are divided as follows:*





# Organizational Structure

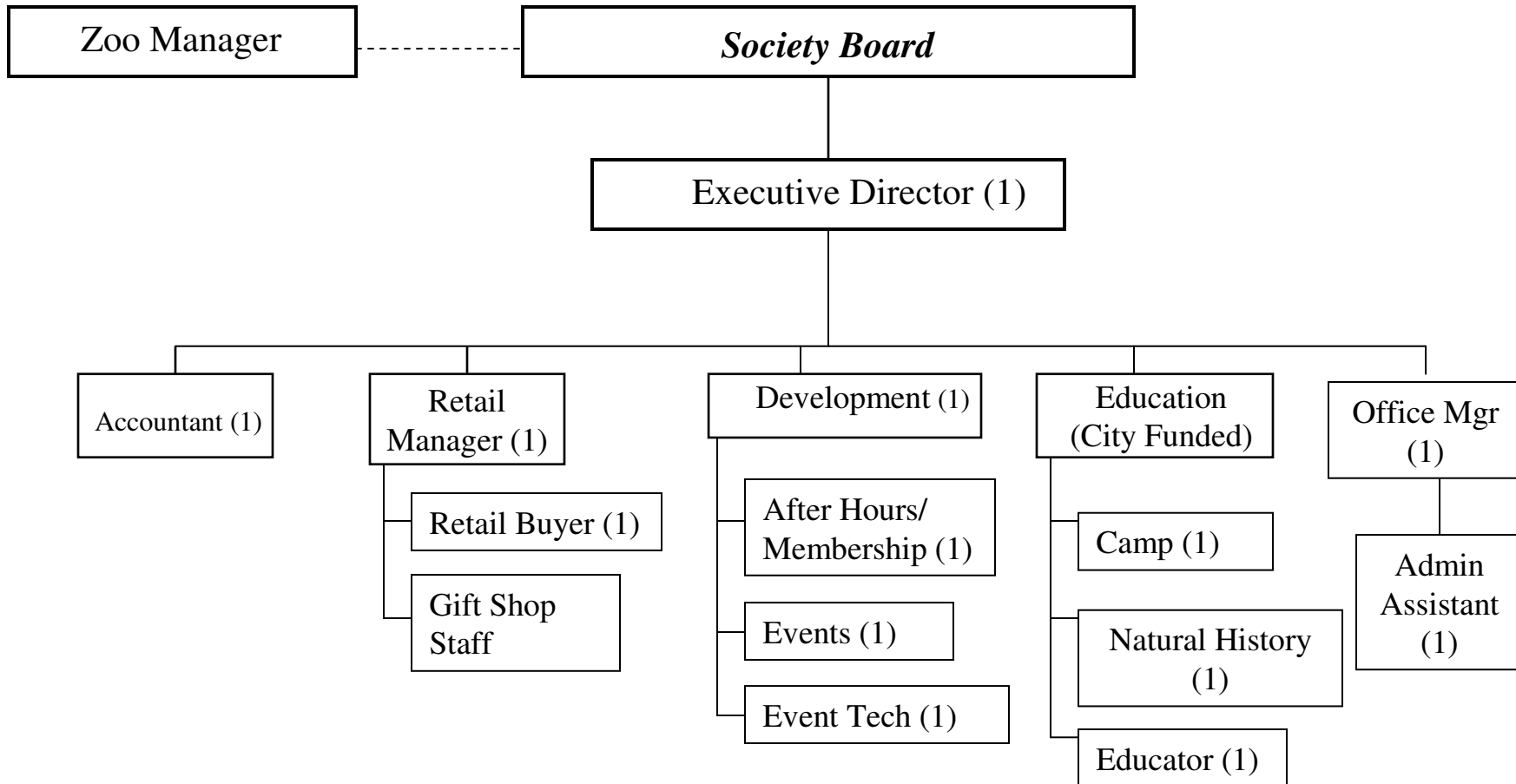
## City Operations



\* Numbers in parentheses indicate FTE employees

# Organizational Structure

## Society Operations



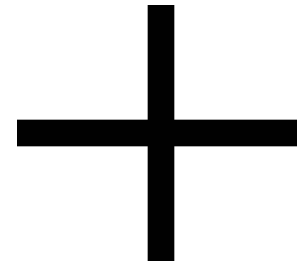
# ***Market Highlights***

## ***Fresno Area***



### **Positives**

- ✓ Population Growth
- ✓ Diverse cultures
- ✓ Reasonable cost-of-living
- ✓ Families



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### **Negatives**

- ✓ High unemployment
- ✓ Low per capita income
- ✓ Limited philanthropic and corporate giving
- ✓ Low education rates
- ✓ State budget crisis

# ***Facility Profile***

## ***Roeding Park***



- Roeding Park is a major attraction in itself
  - *Picnics & Community Gatherings*
  - *Strong community awareness and memories despite perceived negatives of surrounding area*
- Playland & Storyland (within the park and operated by the Rotary)  
(based on discussions with community leaders)
  - *Attracts large number of visitors per year*
  - *Operates at a deficit*
  - *Challenged by on-going maintenance needs, cost of insurance, and age of rides*
- Roeding Park reaches capacity on busy holidays (Easter, Mothers' Day). Parking and access are limited

# Financial Profile

## Revenue & Expense Summary

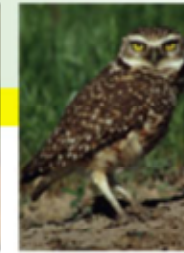


Outlined on the following pages is a financial history of the Chaffee Zoo. Revenues and expenses for both City operations and Society operations are shown separately and then combined to provide a complete operating picture. Several points to note:

- *City General Fund Support is not shown as an above the line revenue item*
- *Per capita spending at \$1.31 on gifts is slightly lower to the industry average of \$1.43. Food spending at \$1.62 is higher than the industry average of \$1.44.*
- *Membership revenue per household, currently at \$52, is favorable compared to similar institutions with membership revenue averages between \$48 and \$55 per member*
- *Controllable visitor services revenue shows a positive trend and is being managed well given the size institution and attendance*
- *Salary expense, at 53% of total expenses, is on the low end of the industry average (52% - 60%)*
- *Marketing expense, at less than 1% as a percent of total expense, is also below the industry average of 4% - 7%*

# Financial Profile

## Revenue & Expense History 1999/2000



Attendance:			356,062
Member Households:			6,331
	<b>1999/2000</b>	<b>2000</b>	<b>1999/2000</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Revenue</b>			
Admissions	\$1,029,289		\$1,029,289
Zoo Mobile	\$15,332		\$15,332
Concessions	\$129,613		\$129,613
Misc Income	\$285		\$285
Membership		\$316,149	\$316,149
Rides		\$0	\$0
Gift Shop		\$543,221	\$543,221
Project Donations *		\$244,767	\$244,767
Misc		\$0	\$0
Animal Adopt Program		\$0	\$0
Events		\$236,411	\$236,411
Rentals		\$185,109	\$185,109
Capital Gains		(\$81,397)	(\$81,397)
Interest		\$91,170	\$91,170
In-Kind		\$283,316	\$283,316
Education		\$181,973	\$181,973
<b>Total</b>	<b>\$1,174,519</b>	<b>\$2,000,719</b>	<b>\$3,175,238</b>
* Includes donor restricted funds which are expended in project expense/exhibit improvements			
<b>Total Concession: (32% net)</b>	\$405,041		\$405,041
<b>Performance Criteria</b>			
Admission per capita:			\$2.89
Visitor per cap:			\$5.55
Gift per cap:			\$1.53
Food per cap:			\$1.14
Membership Rev/Member:			\$49.94

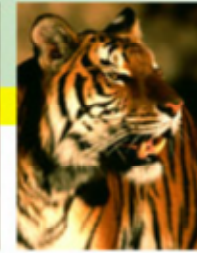
	<b>1999/2000</b>	<b>2000</b>	<b>1999/2000</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Expenses</b>			
Personnel	\$1,558,175	\$456,580	\$2,014,755
Security	\$51,369	\$2,778	\$54,147
Professional Services	\$2,553		\$2,553
PR/Signage/Printing	\$2,765	\$37,154	\$39,919
Utilities	\$136,222		\$136,222
Repairs/Maintenance	\$65,301	\$5,195	\$70,496
Animal Expenses	\$139,045		\$139,045
Supplies	\$22,448	\$61,104	\$83,552
Assoc. Membership	\$11,839		\$11,839
Administrative		\$82,347	\$82,347
Depreciation		\$5,108	\$5,108
Education		\$223,433	\$223,433
Events		\$174,123	\$174,123
Cost-of-Goods		\$222,051	\$222,051
Gift-in-Kind		\$283,316	\$283,316
Advertising		\$1,750	\$1,750
Membership		\$22,149	\$22,149
Taxes		\$320	\$320
Telephone		\$7,183	\$7,183
Zoo/Society Reimbursements		\$5,000	\$5,000
City Services	\$254,214		\$254,214
<b>Total:</b>	<b>\$2,243,931</b>	<b>\$1,589,591</b>	<b>\$3,833,522</b>
<b>Operating Profit/(Loss)</b>	<b>(\$1,069,412)</b>	<b>\$411,128</b>	<b>(\$658,284)</b>
<b>City General Fund Support:</b>	<b>\$900,600</b>		<b>\$900,600</b>
<b>Proj. Expense/Exhibit Improvements:</b>		<b>\$2,182,025</b>	<b>\$2,182,025</b>
<b>Expense Performance Criteria:</b>			
Salary Expense			52.6%
Utility Expense			3.6%
Advertising Expense			0.046%

Financial data based on information provided by City and Society



# Financial Profile

## Revenue & Expense History 2000/2001



Attendance:			385,040
Member Households:			7,030
	<b>2000/2001</b>	<b>2001</b>	<b>2000/2001</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Revenue</b>			
Admissions	\$1,242,231		\$1,242,231
Zoo Mobile	\$13,754		\$13,754
Concessions	\$143,812		\$143,812
Misc Income	\$361		\$361
Membership		\$353,950	\$353,950
Rides		\$82,453	\$82,453
Gift Shop		\$524,641	\$524,641
Project Donations *		\$122,188	\$122,188
Animal Adopt Program		\$25,002	\$25,002
Events		\$222,750	\$222,750
Rentals		\$84,993	\$84,993
Capital Gains		(\$46,562)	(\$46,562)
Interest		\$23,303	\$23,303
In-Kind		\$264,915	\$264,915
Education		\$171,233	\$171,233
<b>Total</b>	<b>\$1,400,158</b>	<b>\$1,828,866</b>	<b>\$3,229,024</b>
* Includes donor restricted funds which are expended in project expense/exhibit improvements			
<b>Total Concession: (32% net)</b>	\$449,413		\$449,413
<b>Performance Criteria</b>			
Admission per capita:			\$3.23
Visitor per cap:			\$5.97
Gift per cap:			\$1.36
Food per cap:			\$1.17
Membership Rev/Member:			\$50.35

	<b>2000/2001</b>	<b>2001</b>	<b>2000/2001</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Expenses</b>			
Personnel	\$1,694,667	\$481,978	\$2,176,645
Security	\$93,752	\$1,097	\$94,849
Professional Services	\$10,837		\$10,837
PR/Signage/Printing	\$7,733	\$42,794	\$50,527
Utilities	\$199,141		\$199,141
Repairs/Maintenance	\$104,395	\$10,159	\$114,554
Animal Expenses	\$181,221		\$181,221
Supplies	\$40,699	\$30,887	\$71,586
Assoc. Membership	\$12,224		\$12,224
Administrative		\$122,864	\$122,864
Depreciation		\$8,678	\$8,678
Donations		\$1,000	\$1,000
Education		\$165,796	\$165,796
Events		\$97,886	\$97,886
Cost-of-Goods		\$227,503	\$227,503
Gift-in-Kind		\$249,461	\$249,461
Advertising		\$1,907	\$1,907
Membership		\$35,468	\$35,468
Taxes		\$1,098	\$1,098
Telephone		\$7,968	\$7,968
Zoo/Society Reimbursements		\$6,638	\$6,638
City Services	\$261,203		\$261,203
<b>Total:</b>	<b>\$2,605,872</b>	<b>\$1,493,182</b>	<b>\$4,099,054</b>
<b>Operating Profit/(Loss)</b>	<b>(\$1,205,714)</b>	<b>\$335,684</b>	<b>(\$870,030)</b>
<b>City General Fund Support:</b>	<b>\$1,161,233</b>		<b>\$1,161,233</b>
<b>Proj. Expense/Exhibit Improvements:</b>		<b>\$492,988</b>	<b>\$492,988</b>
<b>Expense Performance Criteria:</b>			
Salary Expense			53.1%
Utility Expense			4.9%
Advertising Expense			0.047%

Financial data based on information provided by City and Society

# Financial Profile

## Revenue & Expense History 2001/2002



Attendance:			389,163
Member Households:			6,973
	<b>2001/2002</b>	<b>2002</b>	<b>2001/2002</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Revenue</b>			
Admissions	\$1,474,289		\$1,474,289
Zoo Mobile	\$14,092		\$14,092
Concessions	\$202,035		\$202,035
Misc Income	\$273		\$273
Membership		\$365,715	\$365,715
Rides		\$68,925	\$68,925
Gift Shop		\$510,588	\$510,588
Project Donations *		\$456,623	\$456,623
Misc		\$9,584	\$9,584
Animal Adopt Program		\$26,196	\$26,196
Events		\$221,219	\$221,219
Rentals		\$161,243	\$161,243
Capital Gains		(\$53,912)	(\$53,912)
Interest		\$11,476	\$11,476
In-Kind		\$113,164	\$113,164
Education		\$225,068	\$225,068
<b>Total</b>	<b>\$1,690,689</b>	<b>\$2,115,889</b>	<b>\$3,806,578</b>
* Includes donor restricted funds which are expended in project expense/exhibit improvements			
<b>Total Concession: (32% net)</b>	\$631,359		\$631,359
<b>Performance Criteria</b>			
Admission per capita:			\$3.79
Visitor per cap:			\$6.90
Gift per cap:			\$1.31
Food per cap:			\$1.62
Membership Rev/Member:			\$52.45

	<b>2001/2002</b>	<b>2002</b>	<b>2001/2002</b>
	<b>City</b>	<b>Society</b>	<b>Combined</b>
<b>Expenses</b>			
Personnel	\$1,727,953	\$512,579	\$2,240,532
Security	\$88,967	\$1,683	\$90,650
Professional Services	\$25,267		\$25,267
PR/Signage/Printing	\$7,154	\$46,861	\$54,015
Utilities	\$274,062		\$274,062
Repairs/Maintenance	\$118,191	\$8,919	\$127,110
Animal Expenses	\$163,140		\$163,140
Supplies	\$99,772	\$34,211	\$133,983
Assoc. Membership	\$14,608		\$14,608
Administrative		\$119,904	\$119,904
Depreciation		\$8,048	\$8,048
Donations		\$2,000	\$2,000
Education		\$191,381	\$191,381
Events		\$137,214	\$137,214
Cost-of-Goods		\$258,509	\$258,509
Gift-in-Kind		\$111,892	\$111,892
Advertising		\$1,963	\$1,963
Membership		\$21,910	\$21,910
Taxes		\$666	\$666
Telephone		\$7,572	\$7,572
Zoo/Society Reimbursements		\$8,459	\$8,459
City Services	\$210,363		\$210,363
<b>Total:</b>	<b>\$2,729,477</b>	<b>\$1,473,771</b>	<b>\$4,203,248</b>
<b>Operating Profit/(Loss)</b>	<b>(\$1,038,788)</b>	<b>\$642,118</b>	<b>(\$396,670)</b>
<b>City General Fund Support:</b>	<b>\$1,193,110</b>		<b>\$1,193,110</b>
<b>Proj. Expense/Exhibit Improvements:</b>		<b>\$288,245</b>	<b>\$288,245</b>
<b>Expense Performance Criteria:</b>			
Salary Expense			53.3%
Utility Expense			6.5%
Advertising Expense			0.047%

Financial data based on information provided by City and Society

# ***Situation Analysis***

## ***Successes & Challenges***



The Chaffee Zoo should be commended for continuing to maintain a quality visitor experience. However, – declining attendance, potential loss of AZA accreditation and/or an increase in operating deficits could lead to failure despite best efforts.

### **ZOO SUCCESSES**

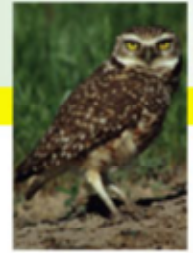
- Committed staff
- Long, well-known, and distinguished history
- Location within heavily visited park
- Community memories
- Growing population with large base of families and children
- Visitor service revenue shows positive trends

### **ZOO CHALLENGES**

- Non-business organizational approach (two organizations)
- Limited capital funding
- Deferred Maintenance (\$2.5 million +/- backlog)
- Flat attendance
- Lack of membership growth
- Competition for funding within City and the community at large
- Capacity of Society to sustain donors

## ***Chapter 4***

### ***The Chaffee Zoo Strategic Planning Study***



# ***[ Findings ]***

# ***Strategic Business Issues***

## ***Overview***



As part of our assessment, we reviewed the Zoo's financial information and recent AZA accreditation reports, met with select staff members and toured the Zoo. For the business issues that we highlight below, we have briefly summarized the current situation:

- **Facilities**

- *One new major exhibit in the last ten years*
- *Buildings need repair; 'band-aid' approach is showing its effects; structural repair and replacement funds are limited*

- **Attendance**

- *Flat-line growth at 350,000 to 380,000 visitors annually over the last several years*
- *The region's population has grown, but attendance has not*
- *In 1990, attendance was 68% of the county population; in 2000, attendance had declined to 44% of the population*

- **Funding**

- *Limited contributed income; project or event based*
- *No annual giving programs*

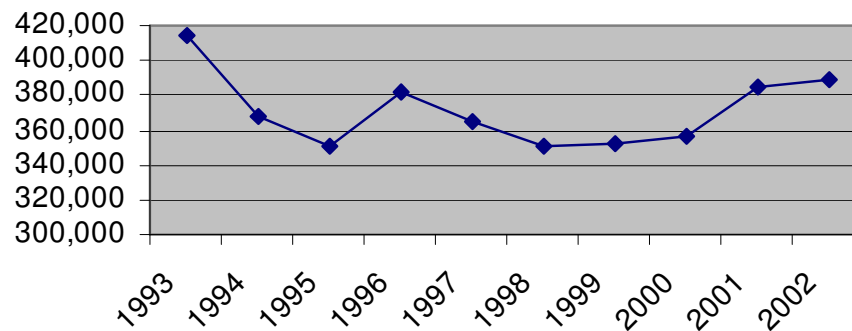
# Strategic Business Issues

## Attendance Trend



10 Year Attendance History – No growth in attendance base, lack of new exhibits and admission fee increases with no additional value offered

**Chaffee Zoo 10 Year Attendance Comparison**



1993	Fee Increase, Bird Show Opened			
1994	Zoo Renovations by DMC-Small Wonders, Bear Exhibit, Giraffe Barn 1994			
1995	Australian Aviary Opened			
1997	Began Paid Advertising			
1998	Fee Increase			
2000	Fee Increase, Sunda Forest			

**1990 – 2000 Attendance/Population Comparison**

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Fresno County Population	667,500	685,856	704,717	724,097	744,010	761,900	769,519	777,214	784,986	792,836	799,407
Zoo Attendance	456,268	448,323	428,028	414,869	367,221	351,279	382,442	365,382	350,573	351,807	356,062
Attendance % of Population	68.35%	65.37%	60.74%	57.29%	49.36%	46.11%	49.70%	47.01%	44.66%	44.37%	44.54%



# ***Strategic Business Issues***

## ***Staffing & Visitor Experience***



- **Staffing**
  - *City/Society duplication*
  - *An active volunteer program*
  - *Low end of industry standards for maintaining animal collection*
- **Visitor Experience**
  - *Declining due to lack of investment in facilities and/or new exhibits*
  - *Low investment in marketing, PR, and awareness building*
  - *Fortunately, the visitor isn't seeing decay behind the scenes*

***The Chaffee Zoo is at a crossroads –  
Changes need to occur for future success.***

# Strategic Business Issues

## Industry Benchmarks



The chart below benchmarks the Chaffee Zoo to other Zoos compared throughout the report. The data shown in this chart is from the AZA 2004 Membership Survey and is self-reported by the individual Zoos. Chaffee Zoo data in this chart is also from the AZA reported information for direct comparison purposes.

	<u>Woodland Park</u>	<u>Kansas City</u>	<u>Houston</u>	<u>Fort Wayne *</u>	<u>San Francisco</u>	<u>Median</u>	<u>Chaffee</u>
Attendance:	1,042,832	425,067	1,570,000	449,000	867,443	867,443	377,174
Operating Budget:	\$20,235,000	\$9,200,000	\$14,055,000	\$3,100,000	\$14,855,000	\$14,055,000	\$3,109,000
Acreage:	92	202	55	42	100	92	18
Full-time Employees:	203	155	260	40	147	155	36
Operational Cost/Day:	\$55,439	\$25,205	\$38,506	\$8,493	\$40,698	\$38,506	\$8,516
Total Animal Species:	261	222	505	159	196	222	207
Animal Specimens:	966	680	2225	720	796	796	602
Animals/Employee:	5	4	9	18	5	5	17
Cost/Animal:	\$20,947	\$13,529	\$6,317	\$4,305	\$18,662	\$13,529	\$5,164

\* Fort Wayne is a seasonal operation, open late April through October

# ***Strategic Business Issues***

## ***Industry Benchmarks Comparisons***



- After reviewing the industry benchmark data, there are a number of key animal management and operational benchmarks that should be highlighted.
  - *The Chaffee Zoo's animals per employee at 17 is second highest compared against benchmarked zoos and is 340% higher than the median (5).*
  - *The Chaffee Zoo's operational cost per day at \$8,516 is significantly lower than the median of benchmarked zoos (\$38,506).*
  - *The Chaffee Zoo's operational cost per day is only slightly higher than the lowest benchmarked zoo – the Fort Wayne Zoo – which operates on a seasonal basis from late April through October.*
  - *Since this analysis focuses on operating expenses only, the primary factors impacting these comparisons are the low number of employees and lower investment in operational expenditures.*

# Accreditation Issues

## Risk Factors



- AZA Accreditation at risk
  - *Deferred maintenance; funding only for accreditation items*
  - *Band-aid approach to facility maintenance*
  - *Available funds are limited*
- Staffing
  - *Lacking key positions – Assistant Director, Marketing Director, Membership Manager*
  - *Staff position needs include maintenance workers (general & skilled), horticulturist, behaviorist, education specialist and zookeepers*
  - *Salary structure below national levels – based on recent AZA salary surveys*

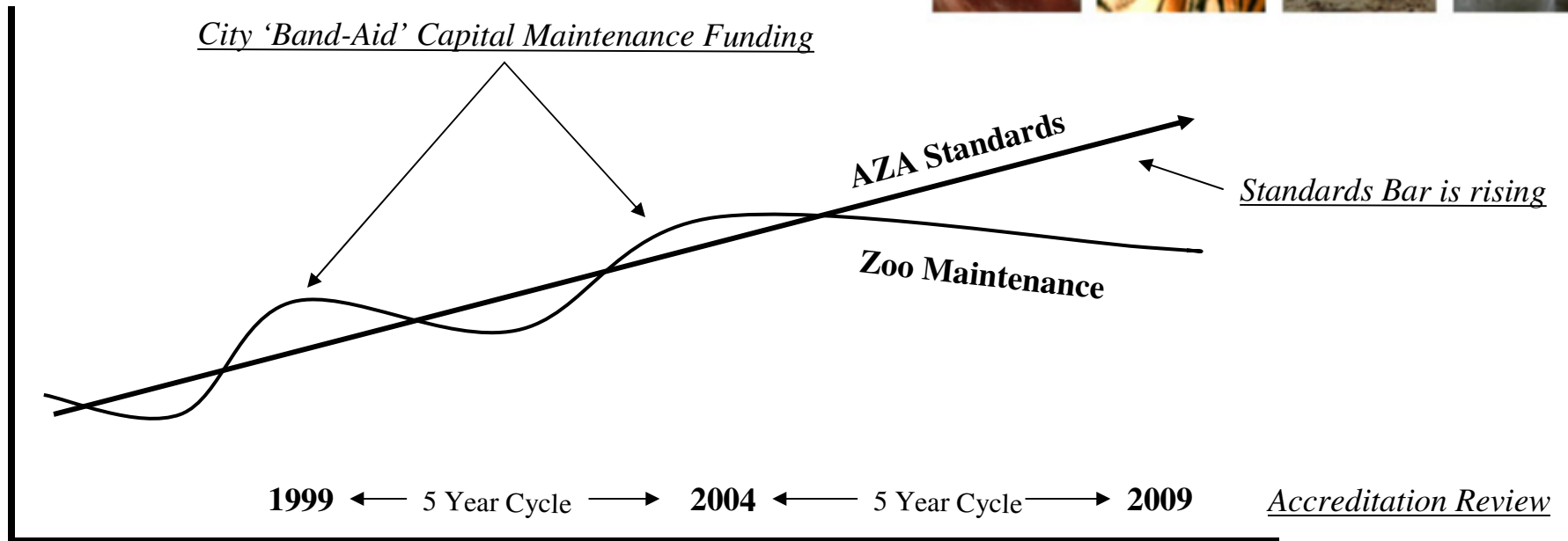
# Accreditation Issues

## Impacts



- Impacts of losing AZA Accreditation
  - *Loss of big animals*
  - *Breeding programs*
  - *Loss of accepted standards of care*
  - *Difficulty attracting quality staff*
  - *No ‘Seal of Approval’*
  - *Working together with accredited facilities will be difficult*
- Zoo is due for re-accreditation in 2004
- Past reviews highlight on-going deficiencies
- Solution to Accreditation dilemma
  - *Exceed standards*
  - *Proactive maintenance*
  - *Engaging exhibits*

# AZA Accreditation Trend Model



City Capital  
Maintenance Funding:      **\$150,000**                      **\$300,000\***  
Over and above annual maintenance budget included in general fund support  
\* Spent in 2002/03 to prepare for accreditation

*Chaffee Zoo is meeting minimum AZA Accreditation, due to:*

- *Reactive maintenance strategy and 'promise' to fix deficiencies*
- *No consistency of annual support for maintenance*



# Accreditation Issues

## Cause & Effect



### Cause

- Insufficient investment in:
  - Capital Improvements
  - Maintenance
  - Staff

### Effect

- Can't keep pace with AZA standards
- No new visitor attractions
- Declining visitor experience

### Impact

- Attendance declines
- Operating deficits increase
- Loss of AZA Accreditation

# Community Input

## Success Factors



Schultz & Williams' discussions with community leaders are summarized under the following themes: *(a list of community leaders interviewed can be found in the appendix)*

- There is support for the Zoo and 'privatization'
- Privatization is not the solution, in and of itself, to the Zoo's problem, but it is seen as a vehicle for future success
- There is not a clear understanding of what 'privatization' will mean
- Critical ingredients to successful privatization and transition plan include:
  - *Clear definition of privatization and long-term vision for the Zoo*
  - *Strong leadership with enhanced board & community support*
  - *'Founders Fund' to support transitional expenses*
  - *A dedicated funding mechanism for both operating & capital dollars*
  - *Positioning the Chaffee Zoo as a regional zoo and a high-quality visitor attraction*
  - *A baseline funding agreement for continued city support*
  - *Strong transition plan with appropriate funding*
  - *Linkages between Zoo and Roeding Park*
  - *Value driven, reasonable admission price*

## ***Chapter 5***

### ***The Chaffee Zoo Strategic Planning Study***



# ***[ Recommendations ]***

# Management Alternatives

## Non-Traditional Models



*Schultz & Williams evaluated a number of **non-traditional** Zoological operating models to determine their fit and viability for the Chaffee Zoo and the Fresno area. Based on our professional experience in creating strategic business plans for zoos throughout this country, as well as developing privatization and outsourcing agreements for the management of visitor services functions, we conclude that there is a low probability of success for selling, outsourcing, or restructuring.*

Description	<u><b>Sell</b></u> <ul style="list-style-type: none"> <li>Sell the Zoo facilities and assets to a private operator</li> </ul>	<u><b>Outsource</b></u> <ul style="list-style-type: none"> <li>Outsource the operations to a private management firm</li> </ul>	<u><b>Restructure</b></u> <ul style="list-style-type: none"> <li>Completely restructure operations into new public/private self-sufficient model</li> </ul>
Model	<ul style="list-style-type: none"> <li>Disney, Premiere Parks, Busch Gardens</li> </ul>	<ul style="list-style-type: none"> <li>Convention Center</li> </ul>	<ul style="list-style-type: none"> <li>Fort Wayne Zoo</li> </ul>
Probability of Success	Low	Low	Low

# ***Management Alternatives***

## ***Success Rates***



*We have concluded a low success rate for the non-traditional operating models:*

- ***Sell*** to a private operator
  - An untested operating model; we are unaware of any private (or non-profit) entity expressing an interest in such an arrangement at AZA accredited zoos.
  - Lack of ‘profitability’
  - Fresno’s smaller market size and market demographics may limit interest
- ***Outsource*** to a private management firm
  - Lack of available outsourcing partners; we are unaware of any vendor taking on entire operations of AZA accredited Zoos. Normally outsourcing has been limited to concessions
  - Fresno’s market size and demographics may limit interest and financial viability in this scenario
  - Public investment in improving the visitor experience would probably be required in this arrangement
- ***Restructure*** the Zoo into a new public/private partnership with no public investment
  - Fort Wayne, IN model has not been replicated elsewhere in the nation despite being around since 1965
  - Significant investment in improving visitor experience and adding revenue producing opportunities is required
  - Changes to organization (combined management), staffing (seasonal only), and contributed income (increased) are necessary to allow balanced financial operation

# ***Strategic Choices***

## ***Overview***



There are a number of other strategic choices for the City to explore in determining how best to manage and operate the Chaffee Zoo. Funding will continue to be a key driver in determining the future of the Zoo and should be matched to the Zoo profile (reduce, maintain, grow) chosen by the City.

The Zoo has reached a critical point and a decision by the City and the community is required.

- ***Choice 1 – Reduce the Current Zoo:*** Make an active decision now to reduce the size and scope of the zoo, limiting further financial investment
- ***Choice 2 – Maintain the Current Zoo:*** Decide to continue with the current level of operating support and consider consolidation of organizational structures
- ***Choice 3 - Grow the Current Zoo:*** Choose to expand the zoo by establishing a new public/private partnership and identifying funding mechanisms to support both operating costs and capital improvements



# Strategic Choices

## Results & Impacts



*The strategies, results, and impacts of each of the strategic choices is outlined below. Although reducing or maintaining investment may ultimately result in failure for the Zoo, reduction allows the decision to be made now to reduce the size and the investment in the Zoo. With each choice, the impacts on the Central Valley are easily understood.*

Strategy	<u>Reduce</u> <ul style="list-style-type: none"> <li>– Decrease investment in operations; no capital improvements</li> </ul>	<u>Maintain</u> <ul style="list-style-type: none"> <li>– Continue current level of investment; limited capital improvements</li> </ul>	<u>Grow</u> <ul style="list-style-type: none"> <li>– Public/Private partnership to provide funding for operations &amp; capital</li> </ul>
Result	<ul style="list-style-type: none"> <li>– ‘Road-side’ Zoo</li> <li>– Non-accredited</li> <li>– Small animals only</li> </ul>	<ul style="list-style-type: none"> <li>– Declining visitor experience</li> <li>– Eventual loss of AZA Accreditation</li> </ul>	<ul style="list-style-type: none"> <li>– New Exhibits</li> <li>– High-quality experience</li> <li>– Increased attendance</li> </ul>
Impact	Limited visitor appeal	Community Backlash	Regional visitor attraction

# Strategic Choices

## Benefits & Weaknesses



*The city can choose to reduce the scope of the Zoo and limit its future exposure, choose to continue the status quo, or choose a path of growth supported by a public/private partnership to gain the necessary support for success.*

	<u>Reduce</u>	<u>Maintain</u>	<u>Grow</u>
<i>Benefits</i>	<ul style="list-style-type: none"><li>- No new investment</li><li>- Alternate use of 'saved' funding</li><li>- Proactive decision</li></ul>	<ul style="list-style-type: none"><li>- Limited new investment</li><li>- Current staffing levels subject to inflation/city general fund support</li></ul>	<ul style="list-style-type: none"><li>- Economic Development</li><li>- Positive community impact</li><li>- Positive operating margins</li></ul>
<i>Weaknesses</i>	<ul style="list-style-type: none"><li>- Community Backlash</li><li>- Limited visitor appeal</li><li>- Loss of a 'real' zoo</li></ul>	<ul style="list-style-type: none"><li>- Animal welfare</li><li>- Continued operating losses</li><li>- Poor visitor experience</li></ul>	<ul style="list-style-type: none"><li>- Availability and timing of funding options</li></ul>

# Strategic Choices

## Summary



	<u><i>Reduce</i></u>	<u><i>Maintain</i></u>	<u><i>Grow</i></u>
<i>Investment</i>	Decreased	Maintained	Increased
<i>Funding Stream</i>	City/Society	City/Society	Public/Private Partnership
<i>Collection</i>	Small Animals	Reduced	Increased
<i>Facilities</i>	Select removal	Crumbling	High Quality
<i>Staffing</i>	Reduced	Limited/Constrained	Increased
<i>Visitor Experience</i>	Fair	Poor	Excellent
<i>Customer Service</i>	Adequate	Inadequate	Improved
<i>Pricing</i>	Lowered	Maintained	Value-priced
<i>Attendance</i>	Significant decrease	Declines	Growing
<i>Education Programs</i>	Limited	Constrained	Increased
<i>Community Impact</i>	Negative	Negative	Positive
<i>Result</i>	Eventual Failure	Slow Death	Success

# Funding

## Available Options



Funding will be a key driver in the decision making process when choosing the future path of the Zoo. Outlined below are a number of possibilities and factors to consider. It is understood that the current economic climate in Fresno and California limits funding opportunities. No one solution may be the answer, however a combination of each may generate the funding necessary for success – **a new public/private partnership**. A funding mechanism should be put in place to provide a *consistent and adequate* amount of funding.

- *Direct City Funding*
  - Lack of available funds; City general fund budget already severely constrained
  - City political support is necessary
- *Community (public) Funding*
  - Bond measure; property tax; cultural funding district; sales tax initiative are possible alternatives
  - Community support should be tested to determine willingness
  - City & County political support is necessary for success
- *Contributed Income*
  - Longer term solution; time is required to cultivate donors and build giving programs
  - Leadership (Board & Community) is necessary for success
  - Area economic factors (depressed economy and giving climate) may limit funds raised
- *Visitor Service Revenue – (increase in admissions, rides, membership fees)*
  - Significant additional investment in improving visitor amenities is required to improve value for increased prices
  - Attendance and market size limit upside potential
  - Area demographics (low income, high unemployment) don't support higher fee structure
  - Higher prices could depress attendance

# **Recommendation**

## **Growing the Zoo**



Given the past successes of the Zoo, its strong community support and impact and the public outcry which could result from a ‘failed’ zoo, the recommended option (based on our professional experience) is to **grow** the Zoo by establishing a public/private partnership and establish a dedicated funding mechanism to improve the visitor experience and increase attendance.

Steps necessary for implementation

- 1) *Identify interim funding vehicle and establish interim organization structure*
- 2) *Develop long-term dedicated public/private funding mechanisms*
- 3) *Privatization*
- 4) *Build ‘regional’ Zoo*

*This choice requires a clear, compelling vision for the future –*

***The Chaffee Zoo is a ‘First-Class, High-Quality’ Visitor Attraction that engages, entertains, and educates regional visitors from Fresno and surrounding counties.***

# Recommendation

## Funding Levels



Under the “grow” scenario, the annual funding for the Chaffee Zoo would need to increase by a minimum of \$1.5 million and a maximum of \$3 million, based on our strategic review and assessment of the market. *(Note, this is in addition to the current \$1+ million provided through the City’s general fund support.)*

Minimum annual funding increase of \$1.5 million annually:

- \$1 million allocated to capital improvements
  - 50% deferred maintenance to eliminate improvement backlog
  - 50% new exhibits and experiences, *e.g. seasonal exhibits at an estimated cost of \$250,000 to \$400,000*
- \$500,000 allocated to support additional positions, marketing and advertising, and guest amenities

Additional funding above the \$1.5 million annually would be used to create more engaging exhibits and to fund the added operating costs associated with those exhibits.



## ***Interim Structure***

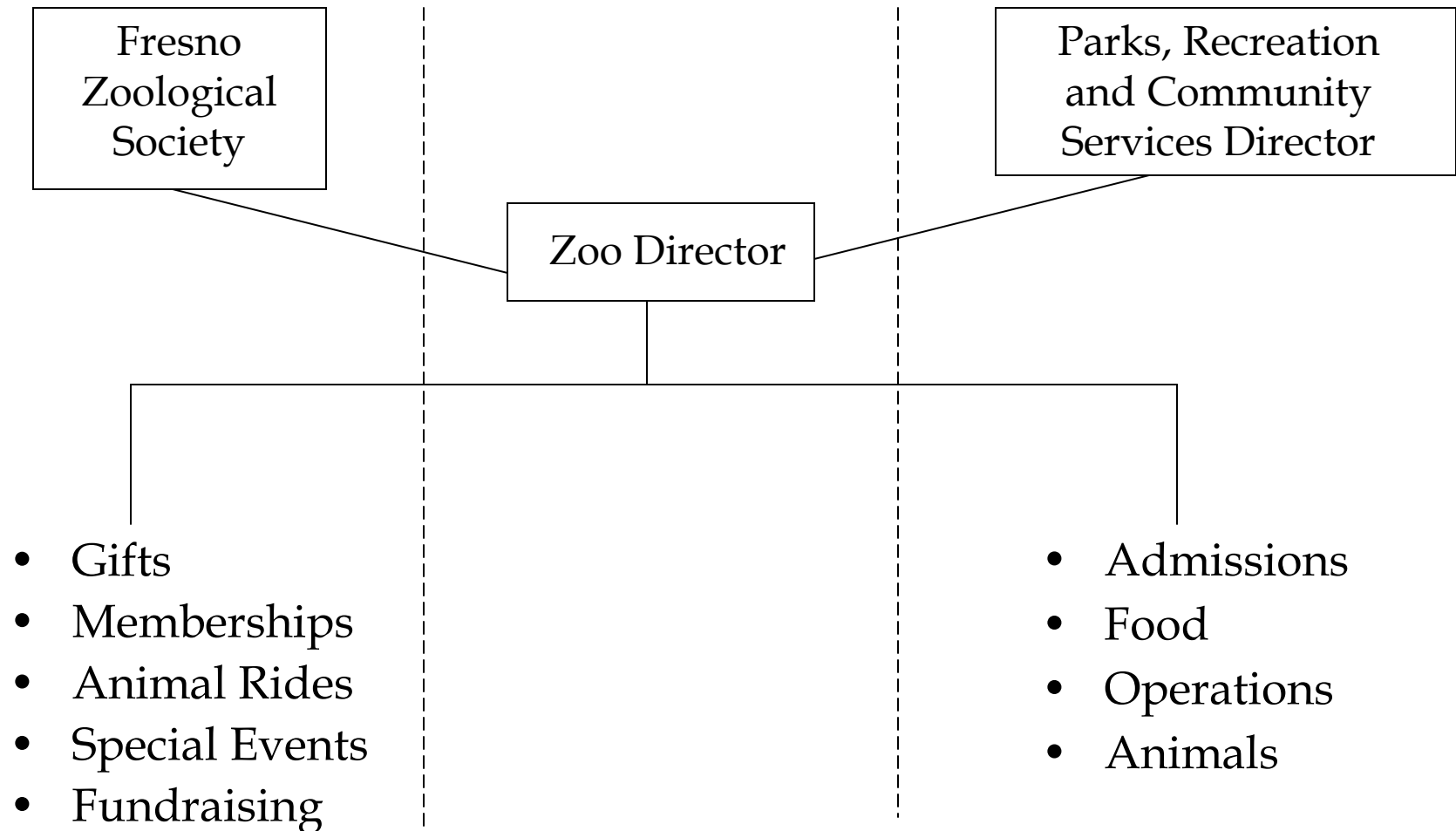
### ***Setting the Stage***



To support the transition to a privatized facility and strengthen the management efficiency of the Zoo, an interim organizational structure is recommended. This new structure sets the stage for privatization once funding is in place. It combines the functions of the Society and the City under the Zoo Director, thereby having the Society staff report to the Zoo Director. This model, with single leadership for both organizations, has been used effectively at other zoological institutions. This new improved structure will provide the following **organizational benefits**:

- *Improve communication between Zoo and Society*
- *Improve efficiencies of operations*
- *Maximize Zoo and Society resources*
- *Compliment proposed organizational structure under full privatization*
- *Raise the profile of the entire Zoo within the City structure*

## ***Interim Organization Chart***



# ***Interim Funding Model***

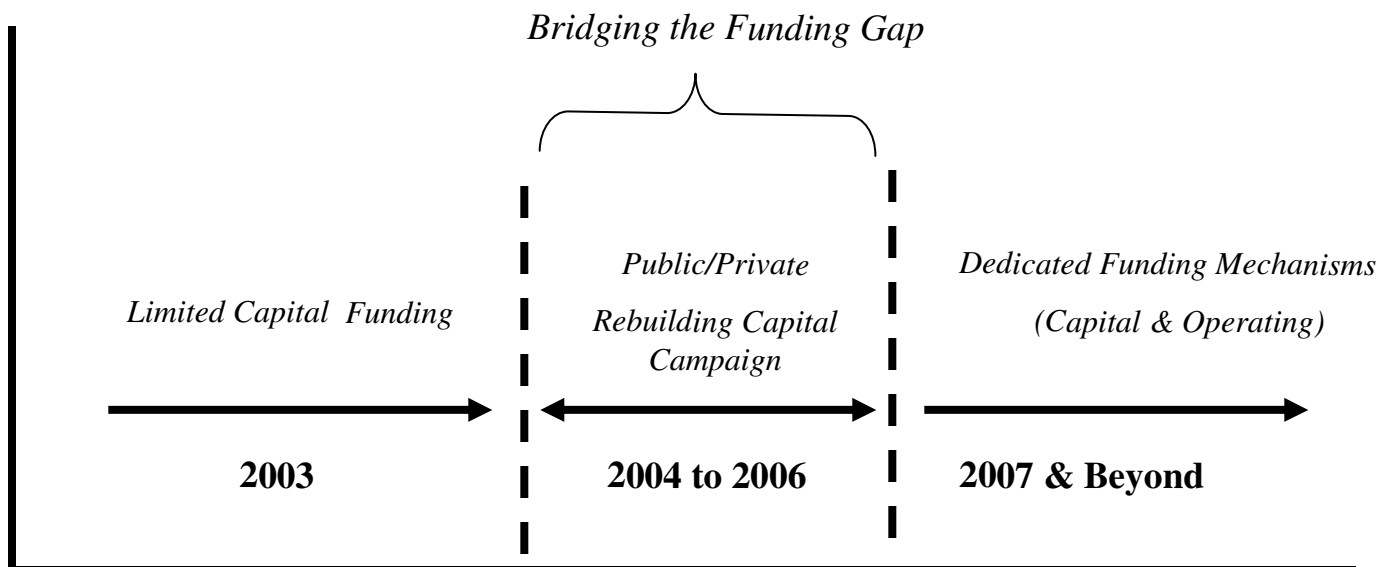
## ***Bridging the Gap***



As the Chaffee Zoo moves to privatization and establishing dedicated funding streams, there will be a need to ‘bridge the gap’ between today’s current level of funding and the receipt of the ‘new’ money. This interim funding should be used to reduce the \$2.5 million deferred maintenance backlog and improvements to exhibits which could stimulate attendance and/or revenue.

A combination of city and private dollars must be raised to fund this gap through a:

- ‘Rebuilding’ Campaign



# ***Building a Regional Zoo***

## ***Positioning & Marketing***



One of the keys to establishing a successful public/private partnership and growing the zoo will be to clearly communicate the benefits of a revitalized Zoo to the residents of the Valley.

The Zoo has already begun this process with a Master Plan which lays the foundation of expanding the zoo to create more interactive experiences. However, the plan should be updated to incorporate the latest trends in engaging, entertaining, and educating the visitor.

Key elements of marketing should include:

- Positioning the Zoo as a regional zoo and an asset to the entire Valley
- Reinforcing the relationship between the Zoo and schools
- Linking the growth at the Zoo with improvements in Roeding Park
- Establishing the new Zoo experience: *exciting, special, live, relevant, learning, natural settings*
- Underscoring the economic development impact of the zoo on the surrounding area, the community and the region
- Message: *Creating a better zoo for another generation*
- Message: *Reliving old memories and creating new ones*

# ***Regional Zoo***

## ***Key Elements***



The Zoo's Master Plan should be updated and incorporated with a Master Plan for Roeding Park. Ideas to be explored as part of that process include:

- Developing Roeding Park as 'Zoo Park'
  - *Colorful Street Banners*
  - *Themed animal areas*
  - *Animal related lighting and picnic fixtures*
- Redeveloping park access
  - *Parking: address need for additional spaces*
  - *Entrance*
- Relocating existing Park maintenance building
  - *Reuse of buildings*
  - *Additional exhibit or administration areas*
- Improving the Entry area
  - *Welcoming*
  - *Water features*

# ***Regional Zoo***

## ***The Visitor Experience***



Improvements to the Visitor Experience should be incorporated into a ‘Regional Zoo’, adding new exhibits and attractions each year; (*seasonal attractions every year, major exhibits every three years*). Ideas to be explored include:

- Walk through areas – total immersion
- Additional interactive experiences
- Theater Groups
- Behind the Scenes Tours
- Small Amphitheater productions
- Seasonal attractions
- Events/Community gatherings

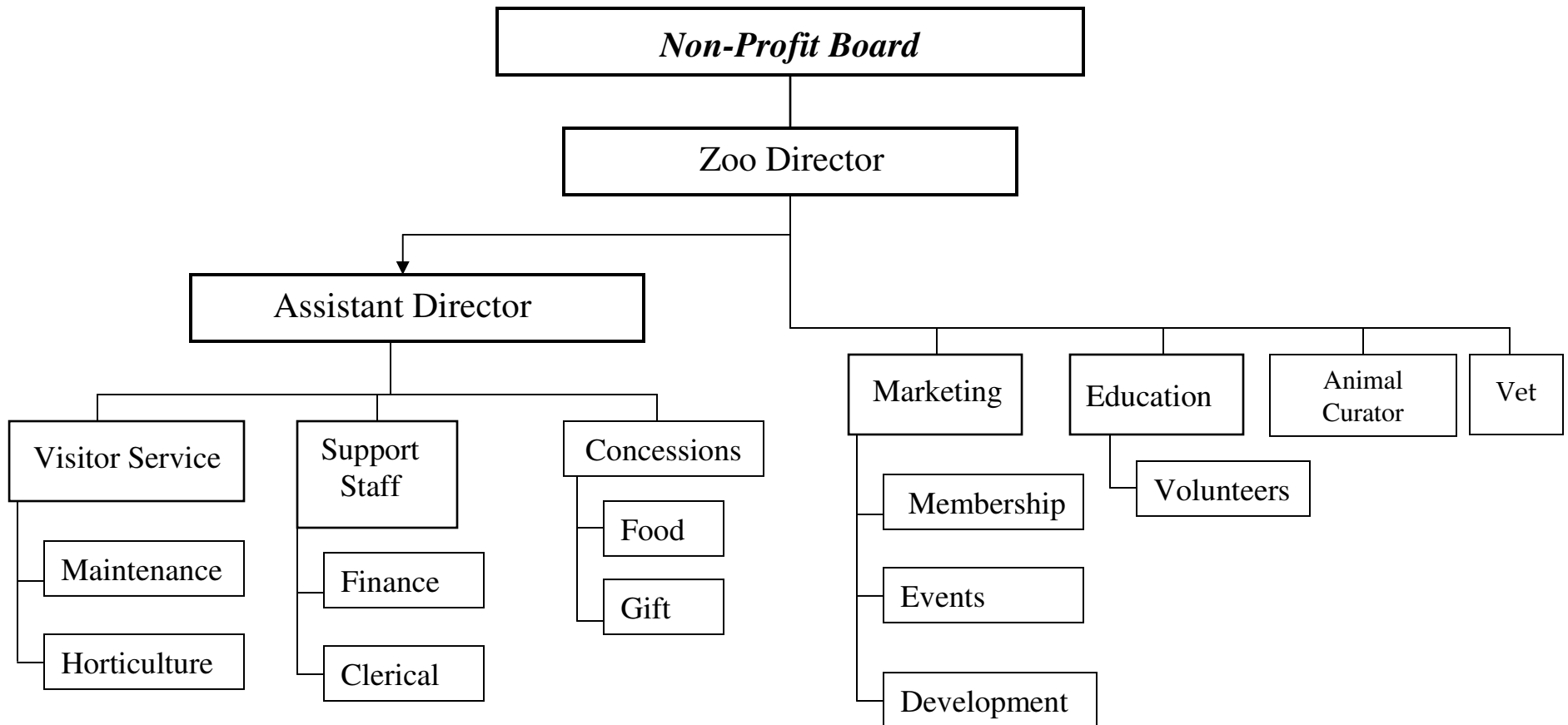
Revenue producing opportunities include:

- Addition of Lorikeet walk-through and feeding experience (*\$1 entry/\$1 feed stick*)
- Expansion of giraffe and other animal feedings
- Increase overnight programs (additional ‘camp’ space)
- Explore longer-term incorporation of *Playland & Storyland* type rides into Zoo experience



# ***Regional Zoo***

## ***Functional Organizational Model***



*Includes: Assistant Director, Marketing Director, and Membership Manager positions*

# **Regional Zoo**

## **Organizational Changes**



- Assistant Director: provides management support with emphasis on business and visitor services

*Impact: Enhances business operations. Reports to Zoo Director*

- Marketing: creation of full-time marketing position to oversee all zoo marketing, advertising, and public relations

*Impact: Allows greater focus on raising awareness of the Zoo. Reports to Zoo Director*

- Membership: A full-time membership position to increase and support membership and member related programs.

*Impact: Focus on building membership. Reports to Marketing Director.*

- Visitor Service: Concentrates Zoo supervisor functions under broader Visitor Service area

*Impact: Increased emphasis on visitor. Reports to Assistant Zoo Director*

# **Transition Plan**

## **Action Items**



The key step to beginning this process will be to quickly and clearly address funding. These **funding issues** include:

- *Identifying the right leadership and gaining the political support needed*
- *Developing a ‘Rebuilding Campaign’ to provide funding until dedicated public/private funding sources are in place*
- *Exploring funding mechanisms for capital and operational needs*

Once a dedicated funding mechanism is established and timing of privatization is agreed upon, a number of transitional elements will need to be addressed.

- **Organization/Society Changes**

- *Establish new 501c3 organization with a new name*
- *Adopt by-laws that move away from membership organization with voting rights*
- *Evaluate Board Size & representation; create leadership team to build support for funding mechanisms*

# ***Transition Plan***



- **Staffing**
  - *Develop plan to address current City and Society employees*
  - *Evaluate pension/retirement issues*
- **City Support**
  - *The City and the Not-for-Profit organization should define a baseline agreement for consistent and on-going operating support; ideally, the current level of city general fund support needs to be maintained*
  - *An agreement for city support on insurance and utilities should be part of this baseline agreement*
- **Implementing the plan**
  - *Establish an integrated marketing and PR strategy*
  - *Define a clear Human Resources Plan*
  - *Implement the 'Rebuilding' Campaign*
  - *Start a contributed 'giving' programs*

# ***Transition Plan***

## ***Marketing Action Items***



- Conduct market research to better understand visitor needs and demographics
  - *Zip Code Data*
  - *Cultural markets*
  - *Determine satisfaction levels*
- Develop marketing partnerships
  - *Grizzlies*
  - *Hotel/Hospitality Industry – building an overnight or day trip with a visit to the zoo*
- Build sponsorship opportunities
  - *Corporate Partners program*
- Increase use of web and e-mail to promote zoo and communicate with stakeholders
- Evaluate current Zoo name and image through research
- Research pricing options (*current pricing reflects county's economic demographics*)
  - *Resident/Non-resident rates, Annual Pass*
- Establish aggressive effort to recruit members at gate
- Develop programs to increase repeat visitation of members and programs to increase spending of members when they return

# Transition Plan

## Timeline



	2004				2005				2006				2007			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Task</b>																
<b>Gain consensus on future direction</b>																
Establish task force																
Agree to plan's recommendations																
<b>Secure interim funding mechanism</b>																
Identify leadership and gain political support																
Develop 'rebuilding campaign'																
Explore funding mechanisms for operating & capital																
Implement funding campaign																
<b>Begin changes to organization and structure</b>																
Establish new non-profit organization																
Adopt new organization by-laws																
Create leadership team and board																
Develop staffing and organizational transition plan																
Establish funding guidelines between City and Society																
<b>Implement transition plan</b>																
Implement integrated marketing & PR campaign																
Define human resources plan																
Start a contributed giving program																
Privatize Zoo operations																
<b>Implement public/private funding stream</b>																





# ***[ Appendix ]***

# ***Market Demographics***

## ***Fresno Area***



- Strong population growth – *20% over last ten years*
- ‘Reasonable’ cost of living – *attracting new residents from other areas*
- Diverse cultural demographics
  - *Large Hispanic market; 44% of county population*
  - *Growing Asian population; 11% of population*
  - *Diversity in spoken languages within educational system*
- Economic challenges
  - *High unemployment; 13.9% in 2002*
  - *Below average student standardized testing performance*
  - *Depressed earnings*
  - *State budget crisis; negative effect on city, county and school funding*
- Limited philanthropic giving:
  - *Economic climate*
  - *Cultural differences*
  - *Lack of discretionary income*
  - *Limited corporate presence*

# ***Market Demographics***

## ***Fresno Area***



- Fresno County (2002 Data)
  - *Population: 815,000*
  - *253,000 Households*
  - *Includes 15 incorporated cities and 25 communities*
  - *Level of education: 33% of population doesn't have high school degree – double the rate for the Bay Area*
- Hispanic population (*as a % of population*) much greater than California as a whole
- The Zoo's primary market of children:
  - *Make up 52% of County population*
  - *Segment growing at 23%; faster than rate for all of CA at 19%*
  - *Large 'extended' families (cultural factor)*
- However...there are challenges
  - *38% of children live in poverty (25% in CA)*
  - *40% population speaks a language other than English at home*

# ***Market Demographics***

## ***Fresno Area***



- County population expected to grow to 1.3 million by 2025; *60% growth factor*
- San Joaquin Valley 2002 population: 3.375 million
- Surrounding county population: 848,266 (*Kings, Madera, Merced, & Tulare counties*)
- Low per capita income
  - *\$21,146 County*
  - *\$29,856 State Wide*
- Large Agri-business industry
  - *Attracts low-income workers*
- Fresno City
  - *Population of 427,652*
  - *Household size of 2.99 persons*
  - *Family size of 3.57 persons*

# **Community Input**

## **Interviewee List**



- Community Interviews conducted by Schultz & Williams in the Spring 2003 with:
  - *Dick Johanson, Philanthropist*
  - *O. James Woodward, Attorney*
  - *Dan Doyle; President, Central Valley Community Bank*
  - *Dr. Bill Stewart, President, Fresno Zoological Society*
  - *Jay Weed, Past President, Fresno Zoological Society*
  - *Dr. Pete Mehas – Superintendent, Fresno County Office of Education*
  - *Steve Magarian – Retired, Sheriff of Fresno County*
  - *Dr. James Aldredge – Retired City Manager – Professor – California State University - Fresno*
  - *Dr. Fred Evans – Dean, Craig School of Business, California State University - Fresno*
  - *Jonathan Richter – Attorney – Libertarian Party Candidate*
  - *Scott Hulme and Jeff Gardner, Fresno Grizzlies*
  - *Stebbins Dean, Executive Director, Greater Fresno Area Chamber of Commerce*

# ***The Chaffee Zoo***

## ***Membership History***



	<b><i>Current</i></b>			
	<b><i>Rates</i></b>	<b><i>2000</i></b>	<b><i>2001 *</i></b>	<b><i>2002</i></b>
Senior	\$25	307	259	255
Student	\$25	0	13	9
Individual	\$35	241	205	182
Plus One	\$45	401	316	297
Family	\$50	4,948	5,262	5247
Grandparent	\$50	908	839	835
Keeper Club	\$145	102	82	92
Safari Club	\$500	11	13	22
Toucan Club	\$1,000	16	18	18
Corporate Keeper		0	3	1
Corporate Safari		0	1	
Group		0	19	15
<b>Total</b>		<b>6,933</b>	<b>7,030</b>	<b><u>6973</u></b>
<i>* Rate increase in 2001</i>				
<i>Average renewal rate:</i>		75%	71%	67%
<i>New Members</i>		1,773	1,768	1,727
<i>% of Total:</i>		25.57%	25.15%	24.8%